FIGURE 1

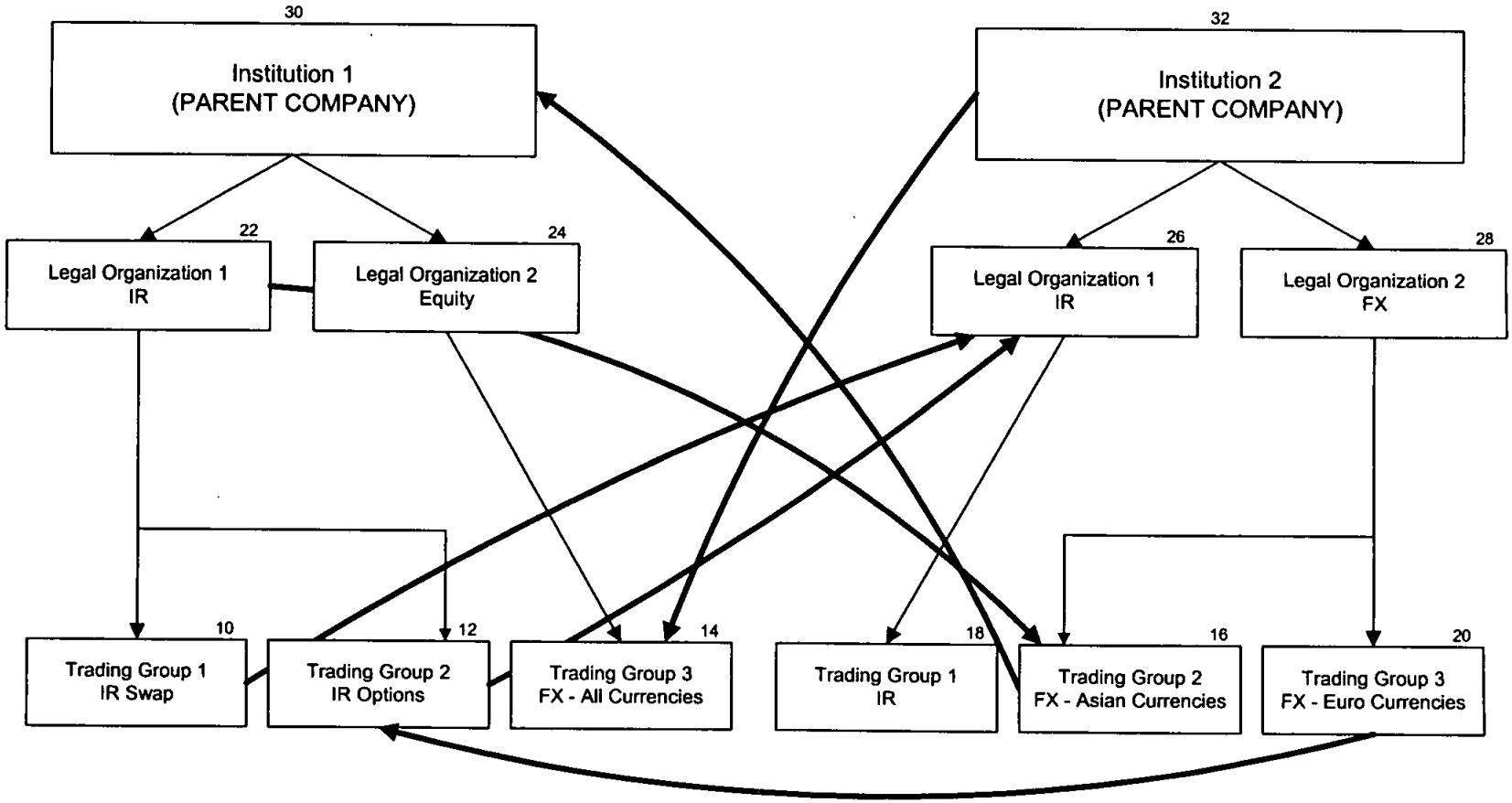

30
Institution 1
(PARENT COMPANY)
32
Institution 2
(PARENT COMPANY)
22
Legal Organization 1
IR
24
Legal Organization 2
Equity
26
Legal Organization 1
IR
28
Legal Organization 2
FX
10
Trading Group 1
IR Swap
12
Trading Group 2
IR Options
14
Trading Group 3
FX - All Currencies
18
Trading Group 1
IR
16
Trading Group 2
FX - Asian Currencies
20
Trading Group 3
FX - Euro Currencies

FIGURE 2

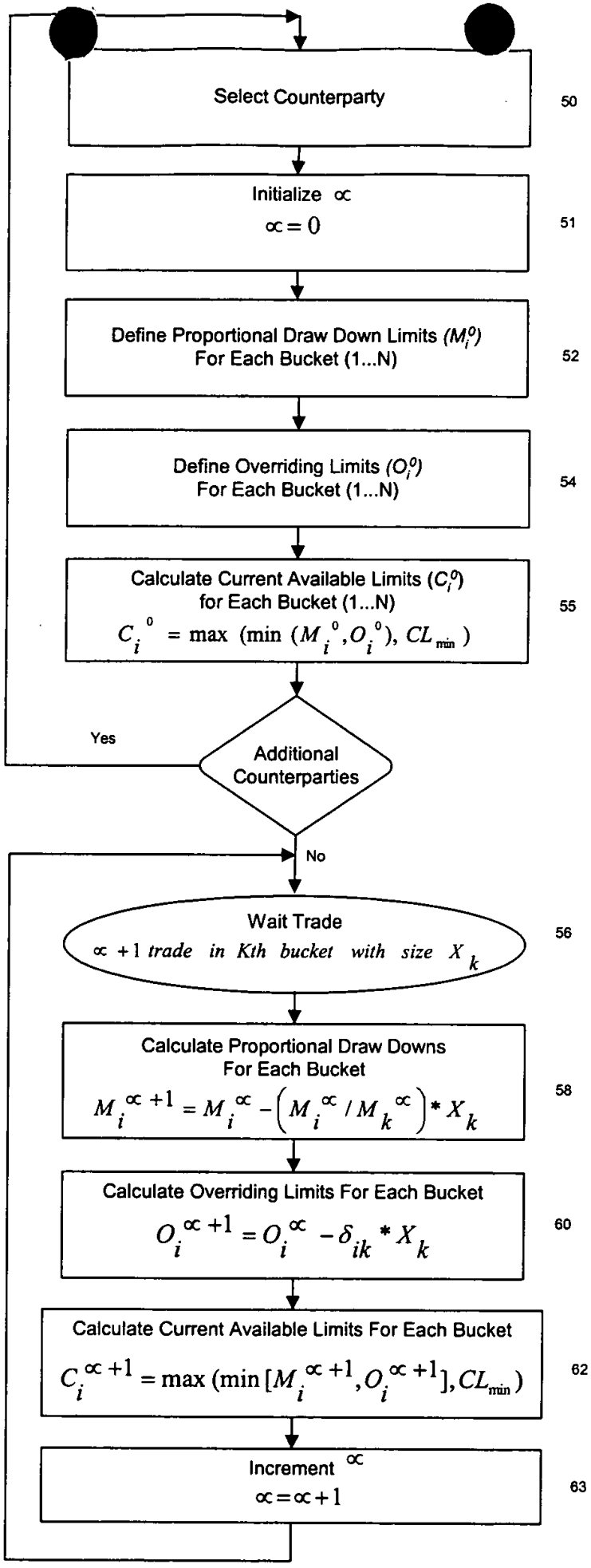
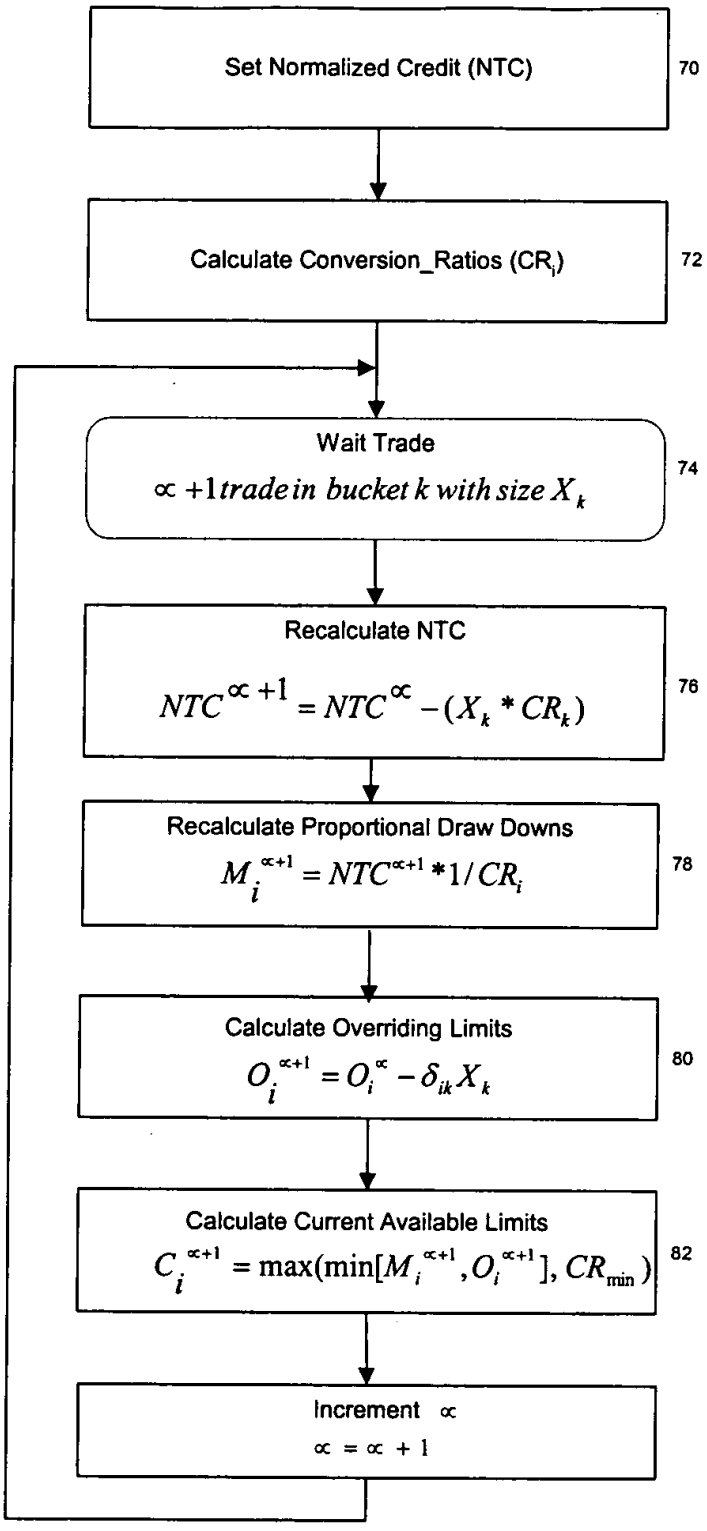

Select Counterparty
50
Initialize ∝
$\propto = 0$
51
Define Proportional Draw Down Limits (M_i^0)
For Each Bucket (1...N)
52
Define Overriding Limits (O_i^0)
For Each Bucket (1...N)
54
Calculate Current Available Limits (C_i^0)
for Each Bucket (1...N)
$C_i^0 = \max(\min(M_i^0, O_i^0), CL_{min})$
55
Additional Counterparties
Yes
No
Wait Trade
$\propto +1$ trade in Kth bucket with size X_k
56
Calculate Proportional Draw Downs
For Each Bucket
$M_i^{\propto+1} = M_i^{\propto} - \left(M_i^{\propto} / M_k^{\propto}\right) * X_k$
58
Calculate Overriding Limits For Each Bucket
$O_i^{\propto+1} = O_i^{\propto} - \delta_{ik} * X_k$
60
Calculate Current Available Limits For Each Bucket
$C_i^{\propto+1} = \max(\min[M_i^{\propto+1}, O_i^{\propto+1}], CL_{min})$
62
Increment ∝
$\propto = \propto +1$
63

FIGURE 3


Set Normalized Credit (NTC)
70
Calculate Conversion_Ratios (CR_i)
72
Wait Trade
$\propto +1 trade\ in\ bucket\ k\ with\ size\ X_k$
74
Recalculate NTC
$NTC^{\propto +1} = NTC^{\propto} - (X_k * CR_k)$
76
Recalculate Proportional Draw Downs
$M_i^{\propto+1} = NTC^{\propto+1} * 1/CR_i$
78
Calculate Overriding Limits
$O_i^{\propto+1} = O_i^{\propto} - \delta_{ik} X_k$
80
Calculate Current Available Limits
$C_i^{\propto+1} = \max(\min[M_i^{\propto+1}, O_i^{\propto+1}], CR_{\min})$
82
Increment $\propto$
$\propto = \propto + 1$

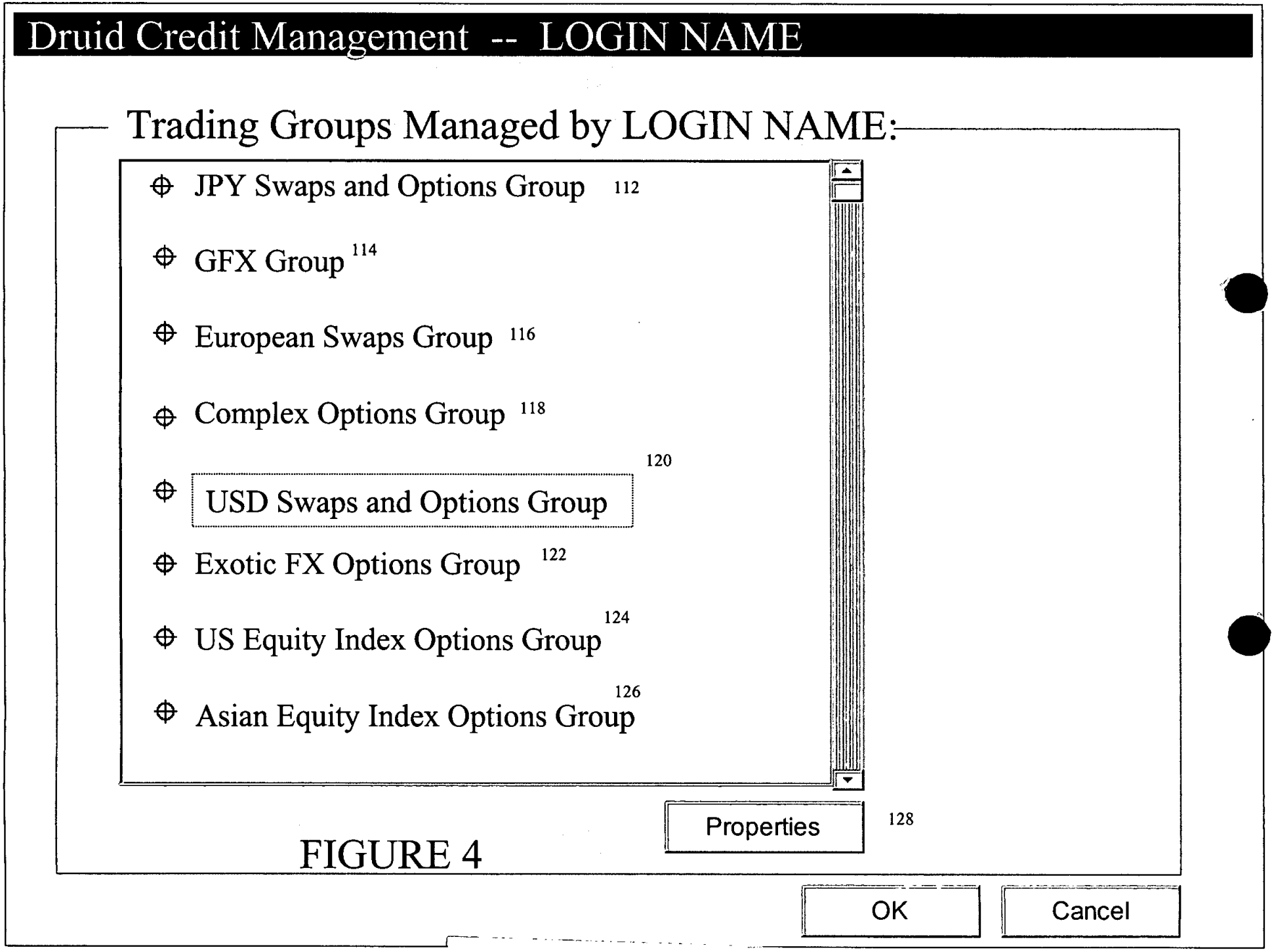

Druid Credit Management -- LOGIN NAME
Trading Groups Managed by LOGIN NAME:
JPY Swaps and Options Group 112
GFX Group 114
European Swaps Group 116
Complex Options Group 118
120
USD Swaps and Options Group
Exotic FX Options Group 122
US Equity Index Options Group 124
Asian Equity Index Options Group 126
Properties 128
OK
Cancel

FIGURE 4

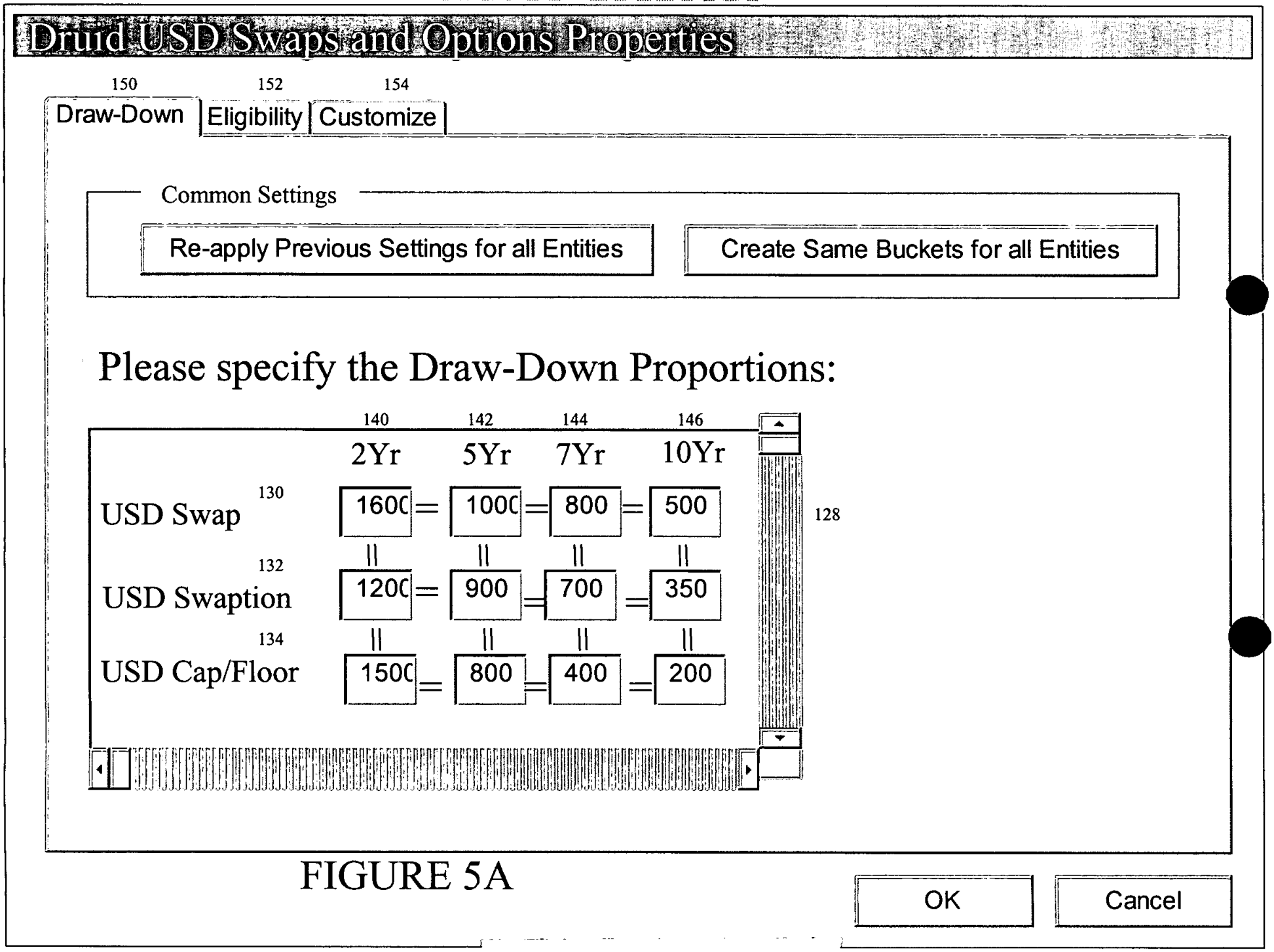

Druid USD Swaps and Options Properties
150
152
154
Draw-Down
Eligibility
Customize
Common Settings
Re-apply Previous Settings for all Entities
Create Same Buckets for all Entities
Please specify the Draw-Down Proportions:
140
142
144
146
2Yr
5Yr
7Yr
10Yr
130
USD Swap
1600
1000
800
500
132
USD Swaption
1200
900
700
350
134
USD Cap/Floor
1500
800
400
200
128
OK
Cancel

FIGURE 5A

Druid USD Swaps and Options Properties

150 Draw-Down | 152 Eligibility | 154 Customize

Common Settings

Re-apply Previous Settings for all Entities | Create Same Buckets for all Entities

Please specify the Draw-Down Proportions:

140 144 146

	2Yr	5Yr		
130 USD Swap	160(	100(	800	500
132 USD Swaption	120(	900	700	350
134 USD Cap/Floor	150(	800	400	200

FIGURE 5B

OK | Cancel

Druid USD Swaps and Options Properties

150 152 154

Draw-Down | Eligibility | Customize

Legal Entity (162)	Eligibility (164)	Available Credit (MM) (multiplies Draw-Down Proportions) (166)
[redacted]	◉ Yes ○ No	1.0
[redacted]	◉ Yes ○ No	2.0
[redacted]	○ yes ◉ No	
[redacted]	◉ Yes ○ No	1.5
[redacted]	◉ Yes ○ No	2.3
[redacted]	◉ Yes ○ No	1.5
[redacted]	◉ Yes ○ No	2.3
[redacted]	◉ Yes ○ No	1.5
[redacted]	◉ Yes ○ No	2.3
[redacted]	○ yes ◉ No	
[redacted]	◉ Yes ○ No	2.3
[redacted]	◉ Yes ○ No	1.5
[redacted]	◉ Yes ○ No	2.3
[redacted]	◉ Yes ○ No	2.3

160

FIGURE 6

OK Cancel

Druid USD Swaps and Options Properties

Draw-Down | Eligibility | Customize [154]

Use this Tab only to:
1. View credit settings
2. Or, Customize credit settings

Legal Entities:

Merrill Lynch Capital Services

Cusomize Buckets

Proportional Draw-Downs:

USD Swaps	160(	1000	800	500
USD Swaption	120(	900	700	350
USD Cap/Floor	150(	800	400	200

170

Available Credit (MM):

USD Swaps	160(	1000	800	500
USD Swaption	120(	900	700	350
USD Cap/Floor	150(	800	400	200

172

OK | Cancel

FIGURE 7

FIGURE 8

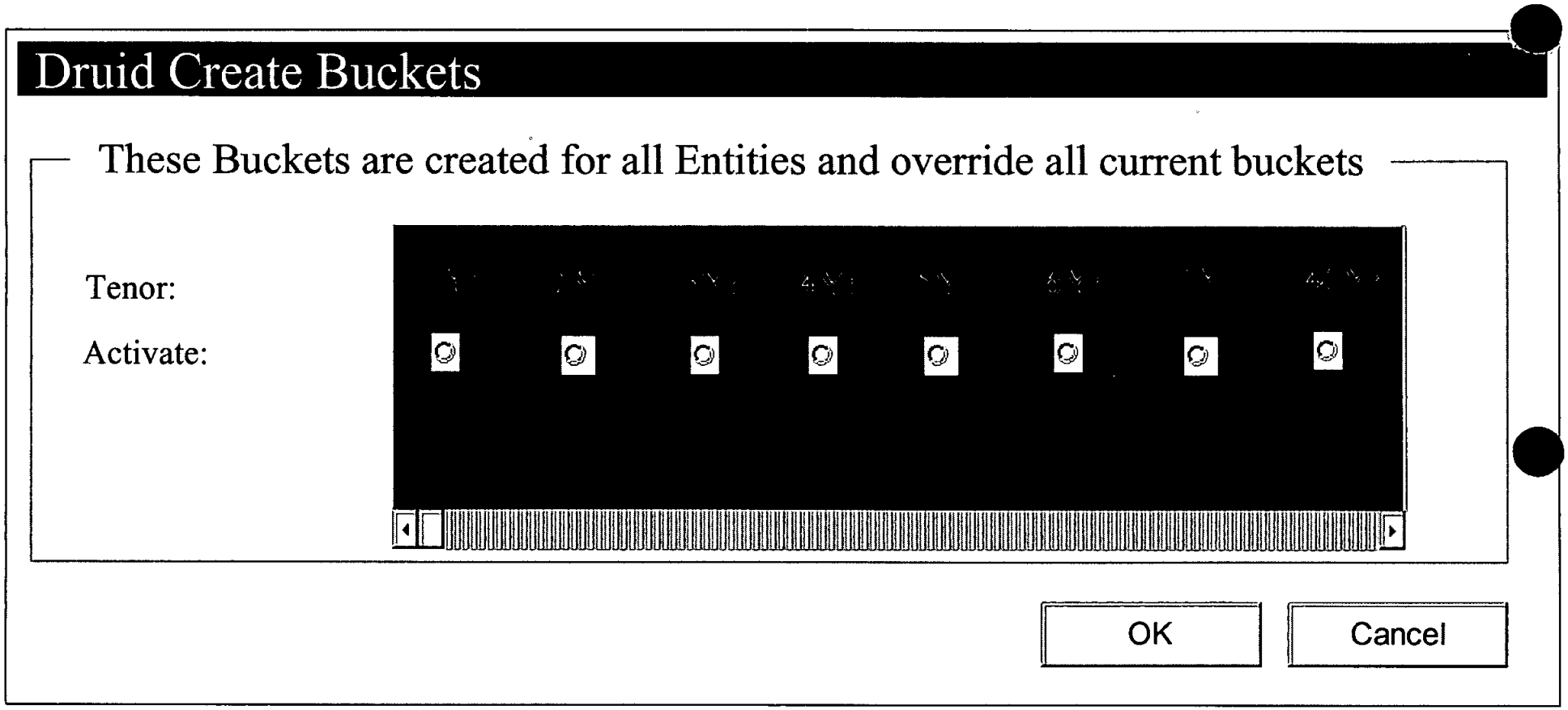
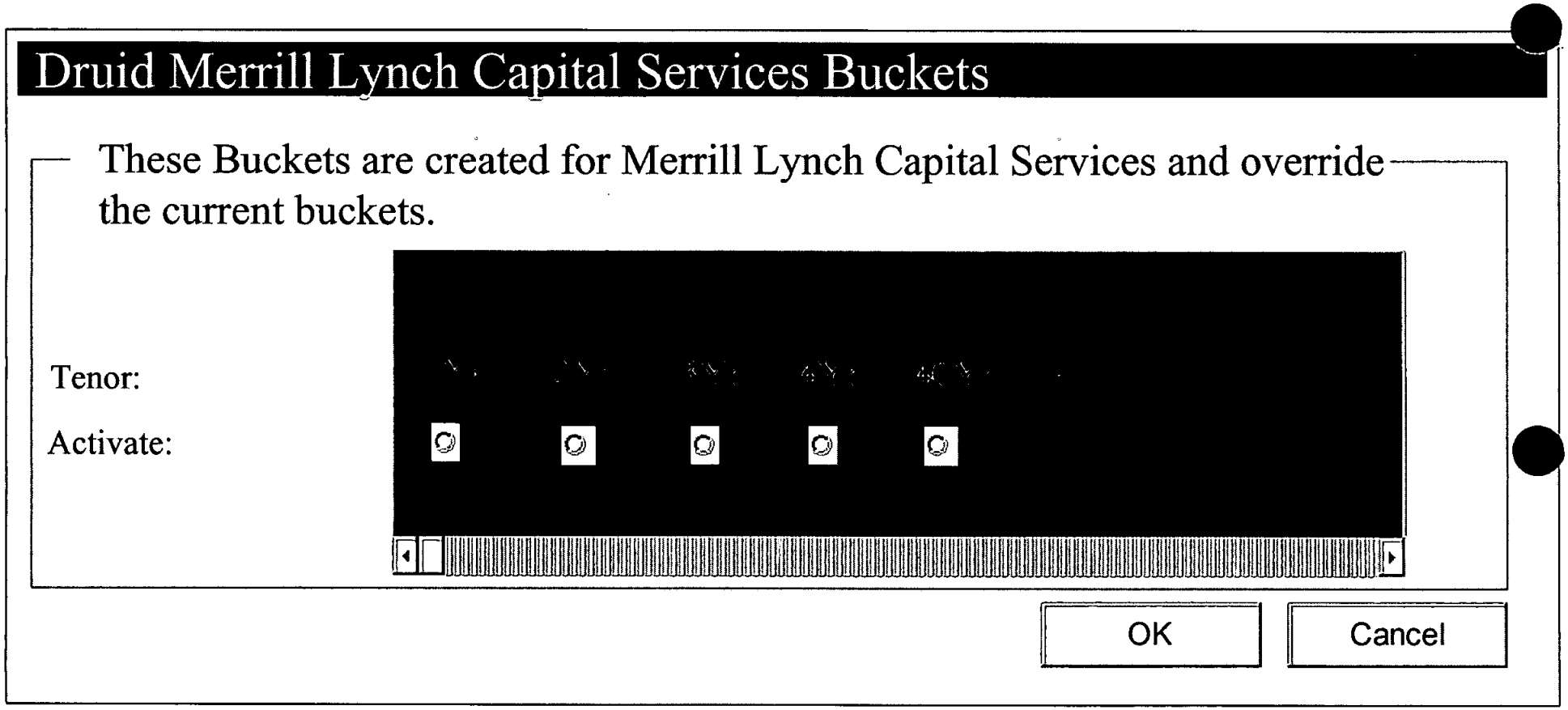
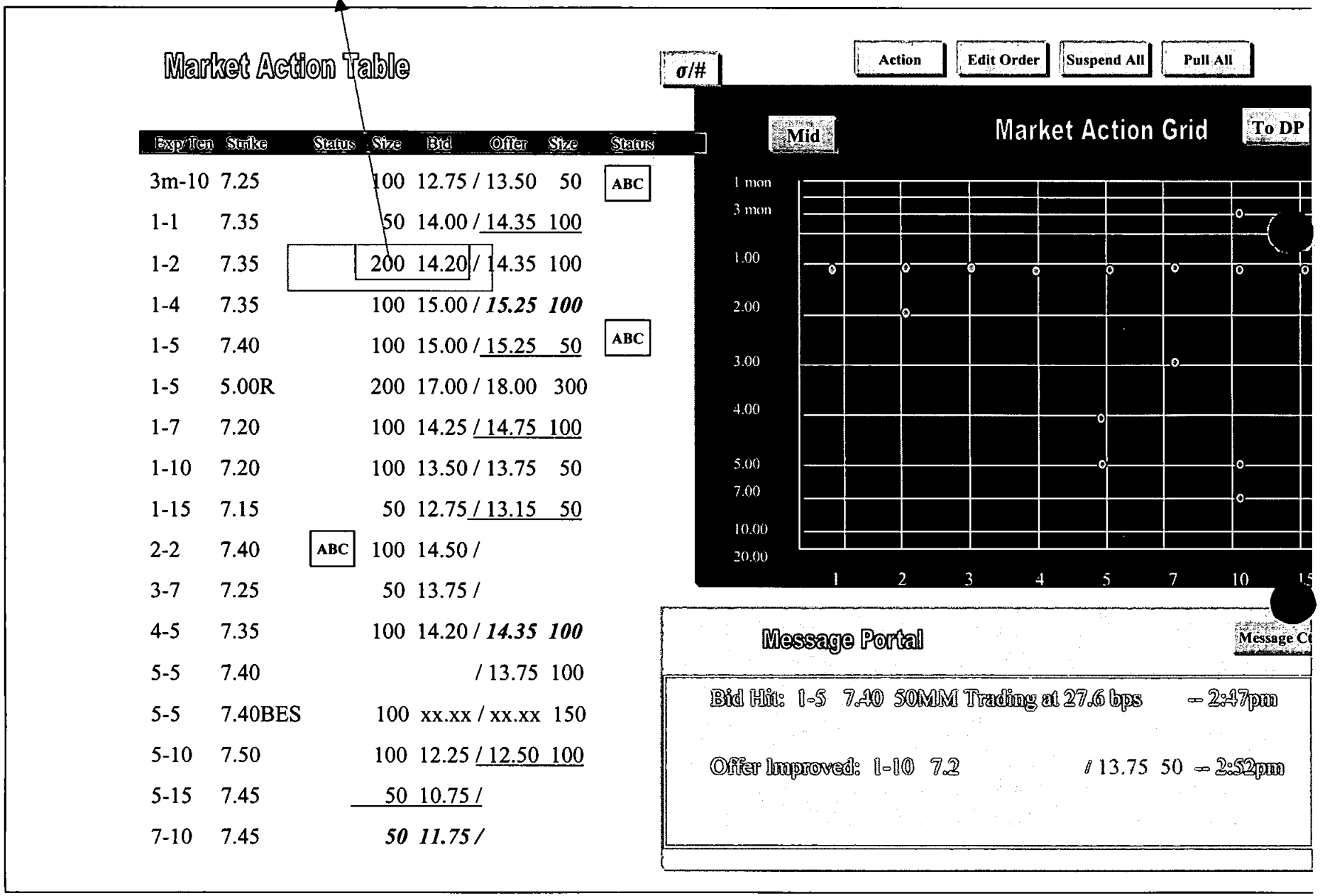

Druid Create Buckets
These Buckets are created for all Entities and override all current buckets
Tenor:
Activate:
OK
Cancel

FIGURE 9


Druid Merrill Lynch Capital Services Buckets
These Buckets are created for Merrill Lynch Capital Services and override the current buckets.
Tenor:
Activate:
OK
Cancel

Traders own orders in reverse video

FIGURE 10



Exp/Ten	Strike	Status	Size	Bid	Offer	Size	Status
3m-10	7.25		100	12.75 /	13.50	50	ABC
1-1	7.35		50	14.00 /	14.35	100	
1-2	7.35		200	14.20 /	14.35	100	
1-4	7.35		100	15.00 /	***15.25***	***100***	
1-5	7.40		100	15.00 /	15.25	50	ABC
1-5	5.00R		200	17.00 /	18.00	300	
1-7	7.20		100	14.25 /	14.75	100	
1-10	7.20		100	13.50 /	13.75	50	
1-15	7.15		50	12.75 /	13.15	50	
2-2	7.40	ABC	100	14.50 /			
3-7	7.25		50	13.75 /			
4-5	7.35		100	14.20 /	***14.35***	***100***	
5-5	7.40			/	13.75	100	
5-5	7.40BES		100	xx.xx /	xx.xx	150	
5-10	7.50		100	12.25 /	12.50	100	
5-15	7.45		50	10.75 /			
7-10	7.45		***50***	***11.75 /***			

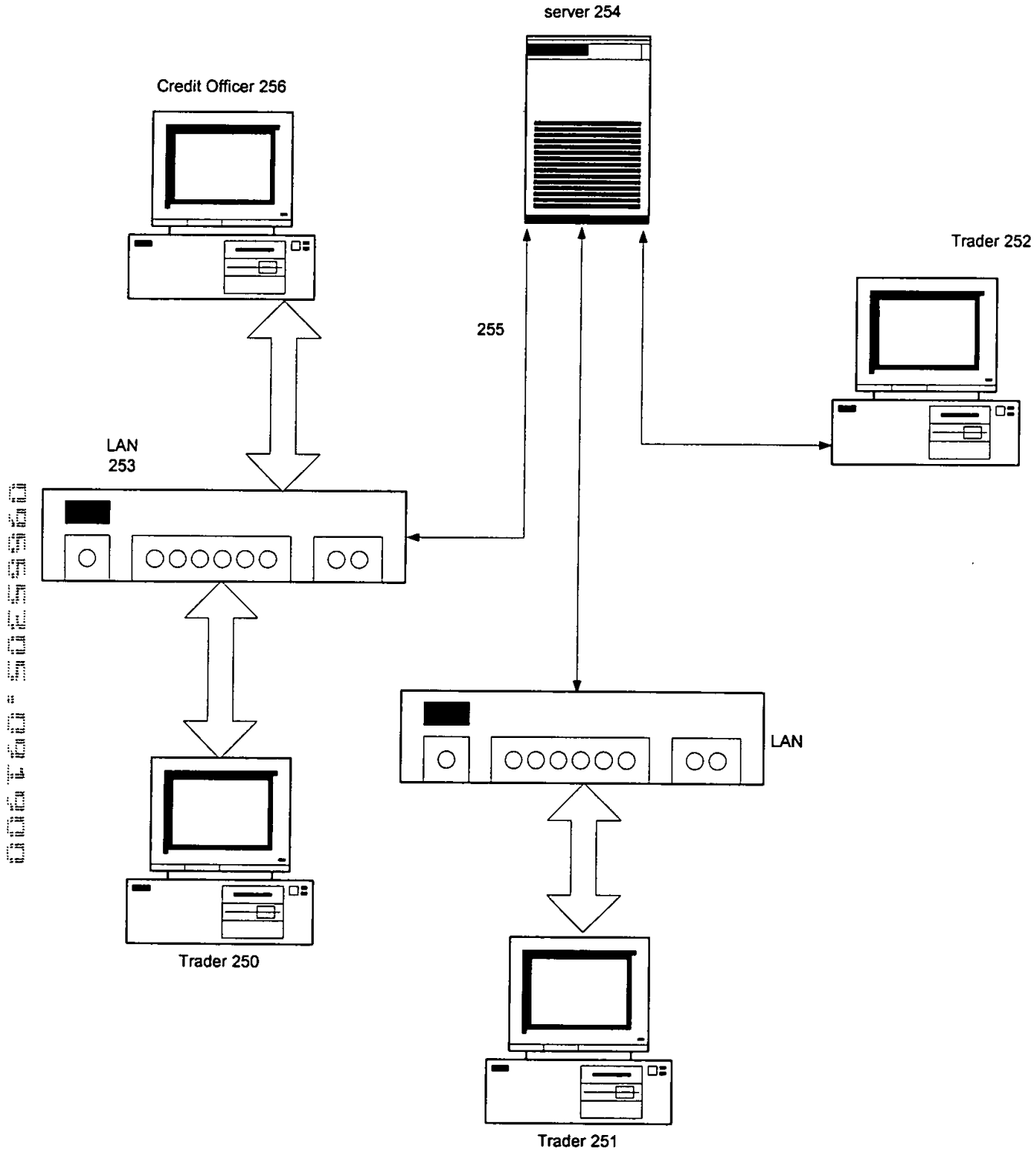

server 254
Credit Officer 256
Trader 252
255
LAN
253
LAN
Trader 250
Trader 251

Figure 11